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Office Memorandum · UNITED STATES GOVERNMENT

DATE: Aug. 15,1946

TO : JCV

FROM : EER

SD 3350-2

SUBJECT: Underlying TOP SECRET report by Col. Yeaton.

9 May 1946

CA has borrowed from WAR this very interesting FINAL REPORT OF YENAN OBSERVER GROUP dated April 15, 1946. It is written by Col. Yeaton against the background of his three years in Russia, 3 and one-half years as G-2 Russian specialist in the War Dept.

I think that if you have time you will want to read it in full; it has some data on the CCP which I never saw before.

Particularly interesting to me was what he says about the Russians in Yenan: "Prior to three months ago the Soviet Union maintained a three man mission in Yenan which was known as the "TASS Agency"..members attended political meetings of the Politburo of the Chinese Communist Party at times when even members of the Central Committee were not admitted...at.banquets..the chief of the mission always sat next to Chairman Mao..at present one member of the former mission with a new helper is constantly attendant on Chairman Mao."

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RAY T MADDOCKS
Maj Gen USA
Chief of Staff

1 Incl.
Copy No. 6, Final Report
of Yenan Observer Group

DECLASSIFIED

NND 812001
By ~~SMJ~~, NARS Date 9/13/86

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9 May 1946

Report on Tour of Duty at Yenan by Col. Ivan D. Yeaton, GSC

Office of Naval Intelligence, Washington, D. C.

1. Forwarded for your information and consideration is the attached report of Colonel Ivan D. YEATON, G-2, United States Army Forces, China. It is based upon his personal observations during his tour of duty as Commanding Officer of the Yenan Observer Group during the period 31 July 1945 to 11 April 1946.

2. Prior to his tour of duty at Yenan, Col. Yeaton was carefully briefed by a thorough study of reports in the files of War Department G-2 and China Theater G-2 which pertain to the Chinese Communist Party. His capacity for analysis of the situation at Yenan is enhanced by a one year tour of duty in Siberia during the Revolution of 1918, a two year tour in Moscow from 1939 to 1941, three and one half years in War Department G-2 as Russian Specialist plus a continuous study of World Communism during the past ten years.

3. The conclusions herein presented by Colonel Yeaton are the result of a careful study and estimation of the situation as presented in the Chinese Communist capital.

FOR THE COMMANDING GENERAL:

RAY T MADDOCKS
Maj Gen USA
Chief of Staff

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By ~~AMJ~~ NARS Date 9/23/86

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FINAL REPORT OF YENAN OBSERVER GROUP

15 April 1946

THE CHINESE COMMUNIST PARTY

I. General.

1. Communism is international!

2. Members of the Communist Party are imbued with the same tenets and ideals wherever they exist. The Communists of China are motivated by the same principles of Marx, Engles, Lenin and Stalin as are the Communists of the Soviet Union. They are one and the same. Editorially, adherence in its strictest definition is accorded to the Moscow party line. It is essential that this be accepted as a firm premise in order that one may have a sound basis for an intelligent and analytical view of the aspects and aims of the different national groups comprising this international organization.

3. The light of historical significance clearly illuminates the path along which the Chinese Communist Party (C.C.P.) are presently traveling and likewise it clearly indicates the route along which they will endeavor to travel in the future.

4. In order for anyone to intelligently evaluate Chinese Communist Party intelligence and to capably report on political and military affairs in Communist held North China, it is absolutely essential that he be:

a. Thoroughly versed in the history of the Soviet Revolution from its start in 1917 to the present time.

b. Completely familiar with the revolution of the Red Army and its attendant commissar system from its inception to date.

c. Equally well acquainted with the organizational details of the present N.K.V.D. from the time of its transition from the old Tsarist Cheka to its present day internal and external police and espionage system, world wide in scope.

5. The Chinese Communist Party (C.C.P.) is presently passing through the New Economic Policy (N.E.P.) period of

Lenin's Soviet Union in the early '20's. Objectives of its first "five year" plan have just been defined and efforts at accomplishment thereof are being initiated. The Chinese Communist Army is in a corresponding period and is just now emerging from its guerilla aspects. It hopefully anticipates that its chosen cadres will be schooled in methods of modern warfare by the U.S.M.A.G. Its officers are called leaders (squad, platoon, company, etc.), without benefit of insignia of rank or military title. The "Praetorian Guards" or C.C. Area Army (Soviet N.K.V.D.) is still in the internal police, gendarmery and personal bodyguard stage.

6. From the personal standpoint, the hierarchy and associate party workers may be considered as being in the "sack cloth and ashes" stage, imposing upon themselves almost Spartan self discipline. They may be construed as living under conditions of most unnecessary hardship and amidst the most rugged physical surroundings with a notable self denial, except for food, of obtainable comforts.

7. Heretofore, the party has had little or no governmental liaison or external diplomatic experience. It is woefully devoid of personnel possessing the liaison and language qualifications essential to international contact.

II. <u>The Border Region Government.</u>

1. The Border Region Government of the Shan Kan Ning Military District is, ostensibly, a democratic provincial government. For purposes of propaganda, its officials are purportedly elected by open ballot. The Communists claim that their participation in governmental control does not exceed one third of its total extent.

2. In reality the Border Region Governmental structure is composed of a few individuals who are chosen by the Chinese Communist Party. The dictates of the Party's Politburo dominate the Border Region in a manner akin to the imposition of martial law.

3. Elections in the lower brackets in the Border Region Government are held after a short period of personal campaigning. All opposing political party organizations have been ruthlessly eliminated. However, at the present time, individuals devoid of party backing are permitted to campaign on their own behalf. Control of the elections in their entirety is by the Communist Party. The slates are agreed upon beforehand and the outcome is a foregone conclusion.

For the literate, the method of balloting is to burn a hole with a lighted punk in the ballot above the name of the chosen candidate. For the illiterate, a pea is dropped in a vessel standing before a picture of the candidate.

4. In the Border Region Government there are four important positions, viz: President, the present incumbent being Lin Bai Chi, a member of the Central Committee of the Chinese Communist Party; Vice President, Lee Ding Ming, who represents the philosophical elements of the Border Region Government, with little political power and no party backing; Chief of Education, Leo Chih, who is also without political backing but is an advocate of democratic views on education; and the Secretary General, Loah My who is in the key position of signing all documents and edicts. Thus is noted a government ostensibly 1/3 communist in structure and 2/3 representative of other elements. However, it must be further noted that the two key jobs are firmly in the hands of the Chinese Communist Party and that the other two elements have no important voice and are without organized political party backing.

5. Jurisprudence in the Border Region is also completely controlled by the Chinese Communist Party. All judges are appointees of the party. Police and prison control is exercised by the occupying Area Army of which the militia within the towns are an integral part.

6. In actuality, the entire region is a military district operating under martial law. This despite the fact that is purportedly under the jurisdiction of a Border Region Government.

III. Chinese Communist Party Military Districts.

1. Occupied China has been divided into nine military districts by the Chinese Communist Party. Manchuria is designated as a tenth district, however, the physical boundaries of this district are, as yet, undetermined. The nine military districts of China are listed as follows: Shan Kan Ning, Chin Ch'a Chi, Chi Je Liao, Shantung, Chin Chi Lo Yu, Hua Chung, Chung Yuan, and Hua Nan. All available evidence indicates that they are governed by a "soviet" in exactly the same manner in which the military districts in the Soviet Union were governed during the '30's.

2. The "soviets" are governing boards consisting of four or five members, viz: (a) The local Communist Party head; (b) The commanding general of the district; (c) The

commander of the Area Forces of the district (NKVD); (d) The ranking political (military) commissar of the district; (e) A secretary general (in some cases). The system is entirely Soviet in principle and concurs with the best traditions of the Communist Party organization.

3. Apparent evidence is indicative of only a slight change in the relationship between the rulers and the ruled in Communist occupied North China as compared to the former domination by the War Lords. However, the following exceptions are notable:

a. Under the present system all members of the governing "soviets" are carefully selected by the Chinese Communist Party and their loyalty to the party is evidenced beyond question.

b. All political opposition in the outlying districts has been ruthlessly eliminated.

c. Banditry and indigent itinerancy has been similarly suppressed.

d. Despite the fact that a large army has been imposed upon the people, every effort has been made to maintain low taxes and to make that army as self supporting as is possible.

e. Private trade, cooperatives and mutual assistance is at the present time encouraged in a most democratic manner.

4. Internal security within the military districts is the responsibility of the Area Army whose entire personnel, if not party members, are considered politically reliable. The so-called Communist "Red" Army, while not completely tied to the soil, is encouraged to utilize all available means for provisioning themselves and to more or less put their roots into the ground on which they are stationed. They are not considered politically reliable and are constantly under the dominance of a "reliable" special guard company which is attached to each regiment. They are also subjected to the never ending propaganda indoctrination which is dispensed by the political agitators or commissars. All education and entertainment is also sponsored by the same source, viz; the C.C.P. Propaganda and Agitation corps.

IV. 18th Group Army Headquarters.

1. The 18th Group Army Headquarters located at Yenan is an army headquarters in name only. In actuality it is the headquarters of the Supreme Military Council of the Communist Party and at the same time functions as a "governmental foreign office". From the military standpoint it would be impossible for this headquarters to function as a command headquarters over any unit larger than a platoon due to the fact that until a few weeks ago its only military equipment was one telephone.

2. General Chu Teh, Commander of the 18th Group Army, has functioned only in an advisory capacity during the entire war, and, next to Mao Tse Tung, is probably the highest ranking military member of this council. Peng Tehuai, Vice Commander of the 18th Group Army, is actually the commander of forces in the Yenan area. It is believed that these forces are for the most part Area Army Forces and that Peng Tehuai will probably replace *Teng Fa as Commander in chief of all Communist Party Area Forces. ** General Yeh Chien Ying, Chief of Staff of the 18th Group Army, is the only trained military man in this group. Aside from his duties as a member of the Supreme Military Council, he actually acted as liaison officer to the Yenan Observer Group and as official receptionist to all groups visiting Yenan. Yang Shang Kun, Secretary General of the 18th Group Army, and also a member of the Supreme Military Council, is in reality the chief political commissar of the alleged 18th Group Army and probably of all Chinese Communist Forces. Other lesser personalities working in and aronnd 18th Group Headquarters are seldom seen and have little to say.

3. Only the advent of General Marshall to China caused the 18th Group Army Headquarters to attempt to hide its lack of military facilities and files by creating a war room. Information required to give this war room even the semblance of appearance that a well informed headquarters would need necessitated weeks of radio traffic in questions and answers.

* Killed in air crash on 8 April 1946.
** Now member Peiping Commission.

VI. Liaison Between Chinese Communist Party and Moscow.

1. All aid, both advisory and material, rendered by the Soviet Union to the Chinese Communist Party is clandestine in nature. This status is of necessity occasioned by the

ostensible relationship of Moscow to both the United States and China as indicated by secret and open agreements with these countries.

2. Prior to three months ago, the Soviet Union maintained a three man mission in Yenan which was known as the "TASS Agency". Objective of the mission was obviously the rendition of both political and military advice.

3. Communication between the mission and the Soviet Union was through coded messages. These messages were transmitted through the Yenan radio station and then relayed into the Soviet net at some point probably in Manchuria. Proof of the fact that communication with the Soviets was maintained was noted in the fact that invariably the arrival of a Soviet plane at the Yenan airport would be anticipated twenty-four hours ahead of time. The Soviet mission conveyed such information to the Chinese Communist Party members through Poku, their liaison contact.

4. Members of this Soviet mission attended political meetings of the Politburo of the Chinese Communist Party at times when even members of the Central Committee were not admitted. They were present at all official banquets and it was significant that the chief of the mission always sat next to Chairman Mao. They consistently abstained from contact with other nationals.

5. Within the past nine months, three Soviet missions have been flown into Yenan for the purpose of discussing the future plans of the Red Army in Manchuria and undoubtedly to coordinate the movements of the Red Army with those of the Chinese Communist Army and the Manchuria underground.

6. At the present time one member of the former mission with a new helper is constantly attendant on Chairman Mao. The chief of the present two-man mission is, ostensibly, Chairman Mao's personal physician although Mao, contrary to general belief, appears to be entirely rested and in perfect health.

7. Proof relative to the rendition of military aid and coordination of military effort is obvious. In substantiation of this premise, it is to be noted that the defense of Ssepingkai and its attendant effective halting of the northern advance of the Central Government Armies into Manchuria was apparently the result of the following:

a. Large stores of captured Japanese war material, including ammunition and weapons were furnished by the Soviets to the Chinese Communist Armies.

b. Coordination of the withdrawal of the Soviet occupational forces on a schedule favorable to the Chinese Communist forces thus enabling the latter to make timely and accurate tactical consolidations.

8. Direct positive proof based upon personal observation together with much circumstantial evidence definitely establishes the fact that the Soviet Union is guiding the destinies of one of its strongest satellites, the Chinese Communist Party, as it has in the past and will in the future.

IVAN D. YEATON
Colonel, GSC
AC of S, G-2